STAT

5 Aug 77

R143

i)

CIA-TURNER LEAD

SAN FRANCISCO (AP) -- CIA DIRECTOR STANSFIELD TURNER SAID TODAY
THE SOVIET ECONOMY IS IN TROUBLE AND DETAILS WILL BE MADE PUBLIC IN
WASHINGTON NEXT WEEK.

THE ADMIRAL MADE THE ANNOUNCEMENT IN HIS FIRST SPEECH AFTER BEING NAMED THURSDAY BY PRESIDENT CARTER TO THE CONTROL OF ALL THE NATION'S INTELLIGENCE GATHERING AGENCIES.

SPEAKING TO A LUNCHEON OF THE 13,000-MEMBER COMMONWEALTH CLUB; TURMER SAID THE CIA ESTIMATES ''THAT SOVIET PRODUCTION OF OIL WILL FALL MARKEDLY IN ABOUT 1980 ... THIS WILL HAVE A MAJOR IMPACT ON THE WORLD'S ECONOMY.''

HE SAID RUSSIA'S TROUBLES HINGE IN PART ON ITS OIL PROBLEMS AND BECAUSE OF ''DEMOGRAPHIC FACTORS WHICH ARE GOING TO SLOW THE RATE OF GROWTH OF LABOR FORCE.

HE WENT ON, ''NOW IN NEITHER CASE ... ARE WE PREDICTING THAT THE SOVIETS' ECONOMIC PROBLEMS ARE INSURMOUNTABLE; WHAT WE'RE SIMPLY SAYING IS THAT SOME OF THE CHARACTERISTICS OF THE SOVIET ECONOMY — ITS REGIDITY, ITS ADHERENCE TO A FALSE ECONOMIC PHILOSOPHY, SOME OF THE EMDICATORS OF ITS PERFORMANCE IN THE RECENT PAST — LEAD US TO BELIEVE THAT THE SOVIET LEADERSHIP IS GOING TO BE FACING SOME VERY DIFFICULT PERIODS.''

IN A NEWS CONFERENCE PRECEDING HIS SPEECH, TURNER TOLD REPORTERS THE CIA WAS NO LONGER OPERATING BROTHELS AS IT DID IN THE MID-50S FOR THE PUMPOSE OF LURING PRIVATE CITIZENS TO TEST DRUG EFFECTS.

TURNER SAID SUCH AN OPERATION NOW WAS ABHORRENT, BUT THAT YEARS AGO THE AGENCY WAS CONCERNED OVER THE POSSIBLE USE OF DRUGS AGAINST CITIZENS AND INTELLIGENCE ACTIVITIES.

TURNER EMPHASIZED THAT THE CIA VOLUNTARILY RELEASED THE INFORMATION ON THE BROTHELS, WHICH HE SAID WERE OPERATED IN SAN FRANCISCO AND OTHER UNSPECIFIED PLACES AROUND HE COUNTRY. HE VOWED THAT NOTHING LIKE THAT WAS TAKING PLACE NOW.

REGARDING THE SAN FRANCISCO BANDY HOUSE, "I APOLOGIZE FOR THAT AND I REGRET IT."

OF THE BROTHEL REPORT, TURNER SAID, ''THEY ARE ALL PAST HISTORY.''
TURNER'S EXPANDED SPY ASSIGNMENT WILL PLACE HIM IN CONTROL OF THE
BUDGETS AND ACTIVITIES OF ALL INTELLIGENCE-GATHERING AGENCIES WHICH
PREVIOUSLY REPORTED TO DEPARTMENTS RANGING FROM DEFENSE TO TREASURY.

GF THE FBI, TURNER SRID, ''THE FBI IS UNDER MY UNBRELLA WHEN THE FBI IS IN THE INTELLIGENCE BUSINESS. I AM RESPONSIBLE FOR COUNTER-INTEL Approved For Release 2007/10/19: CIA-RDP99-00498R000100110060-5